

How to Enter the Real Property Appraisal Profession in Kentucky

The following is intended to provide basic information for individuals who are considering entry into the real property appraisal profession in the Commonwealth of Kentucky. For more specific information about the requirements please contact the Kentucky Real Estate Appraisers Board @ 859-543-8943, Fax 859-543-0028, or visit the web site at www.kreab.ky.gov.

The Kentucky Real Estate Appraisers Board was created in 1992 as a voluntary act by the Kentucky General Assembly in compliance with the provisions of the Financial Institutions Reform, Recovery, and Enforcement Act (Title XI). The five (5) member Board consists of two appraisers, two active lenders, and one consumer. The Board staff consists of an Executive Director, Staff Assistant, Executive Secretary, a contract investigator of complaints, and a contract attorney.

What is the demand for qualified real property appraisers?

There is a wide array of clients who use real estate appraisers. For instance, lenders use them for loan collateral purposes; lawyers use them in property disputes, such as divorces; insurance companies use them to assist in determining the value of the property to be insured; and property owners may use them when appealing tax assessments, for estate purposes and estimating a property's value when buying or selling real estate.

Do I need to obtain a credential or license in order to appraise real property?

Federal law requires all individuals appraising properties in a federally related loan transaction (e.g. if a federally insured lender is involved in the transaction) to be either state licensed or certified. The appraisal law in Kentucky contains language that an individual appraiser will be required to have a license or certification only when appraising properties for loans that will be granted by federally insured lenders that are considered federally related transactions, for Government Sponsored Enterprises, or other clients that require the services of a state licensed or certified real property appraiser.

Who regulates real property appraisers in Kentucky?

The Kentucky Real Estate Appraisers Board is given authority by KRS 324A and the administrative regulations of 201 KAR Chapter 30 to comply with the mission of real property appraiser regulation. In addition to issuing licenses and certificates, the Board is also responsible for disciplining appraisers. Title XI requires the Board laws and regulations to comply with the minimum criteria of the Appraiser Qualifications Board and the minimum appraisal Standards promulgated in the Uniform Standards of Appraisal Practice (USPAP). The Kentucky Board has regular oversight from the Appraisal Subcommittee (ASC), made up of members of the Federal Financial Institutions Examination Council (FFIEC).

What are the minimum qualifications I will need in order to become a state licensed or certified appraiser in the Commonwealth of Kentucky?

The qualifications for real property appraisers are set by the Appraiser Qualifications Board of The Appraisal Foundation. The qualifications cover education, experience, examination and continuing education. For example, to become a Kentucky credentialed real property appraiser you will need to complete a specific course curriculum of topics in real property appraisal education courses. The Associate credential (required to begin training experience) will require a minimum of 90 classroom hours of appraisal instruction and annually complete 14 hours of continuing education. The following table lists the education, examination, and experience requirements for each of the credentials recognized by the Kentucky Real Estate Appraisers Board. The information is contained in administrative regulation 201 KAR 30:190:

Credential	Education Requirements	Experience Requirements	Examination Requirements	College Requirements
Associate	90 Hours	None	None	None
Licensed Real Property	195 Hours	2,500 Hours 24-Months	AQB – Certified Residential	Associate degree or higher. In lieu of the required degree, Twenty-one (21) semester credit hours covering the following subject matter courses: English Composition; Principles of Economics (Micro or Macro); Finance; Algebra, Geometry or higher mathematics; Statistics; Computer Science and Business or Real Estate Law.
Certified Residential	200 Hours	2,500 Hours 24-Months	AQB – Certified Residential	Associate degree or higher. In lieu of the required degree, Twenty-one (21) semester credit hours covering the following subject matter courses: English Composition; Principles of Economics (Micro or Macro); Finance; Algebra, Geometry or higher mathematics; Statistics; Computer Science and Business or Real Estate Law.
Certified General	300 Hours	3,000 Hours 30-Months	AQB – Certified General	Bachelors degree or higher. In lieu of the required degree, Thirty (30) semester credit hours covering the following subject matter courses: English Composition; Micro and Macro Economics; Finance; Algebra, Geometry or higher mathematics; Statistics; Computer Science and Business or Real Estate Law; and two (2) elective courses in accounting, geography; agriculture economics; business management; or real estate.

Do I need a college degree to become a Kentucky licensed or certified real property appraiser?

Yes. Please refer to the above table which lists the applicable college degree, and the college course requirements in lieu of a college degree.

How can I find out about available educational offerings in appraising?

Please visit the Kentucky Real Estate Appraisers Board web site at www.kreab.ky.gov for a list of approved appraisal education providers and a list of approved education courses. The Kentucky Board will also recognize courses approved by appraiser regulatory agencies in other states on a case-by-case basis. It is the responsibility of the student seeking education approval to provide the KREAB with the course description, the course daily time outline, a completion certificate indicating that the student successfully completed the course, including successful completion of a closed book examination, and that the course content was at minimum 15 hours.

How can I gain the necessary experience?

The Kentucky Real Estate Appraisers Board requires any person initially entering the field of real property appraising to 1) complete the 90 hours of classroom instruction in appraisal courses listed in the above table, and 2) to work under the supervision of a Kentucky certified residential or certified general real property appraiser and follow the requirements of administrative regulation 201 KAR 30:030.

What do I have to do to qualify to sit for the AQB national examination?

In order to qualify to take the state examination, you must have completed all qualifying appraisal course classroom education that is listed in the above table for the appropriate credential you are seeking.

How long is the examination?

Depending on the classification you are seeking to obtain, the examination might last between 4 to 6 hours for licensed real property and certified residential, and between 6 to 8 hours for certified general. Each of the examinations will have a total of 150 questions that will be scored.

Is it required that I complete the college degree or course requirements prior to sitting for the AQB national examination?

No. It is not required or expected by the Kentucky Real Estate Appraisers Board that an applicant must complete a college degree or the specific college courses in lieu of a degree prior to sitting for the national examination. However, it is required that an applicant for the examination must have first completed all appraiser education requirements. Also, the applicant must complete all college requirements (degree or specific courses) prior to being issued a license or certification by the Kentucky Real Estate Appraisers Board.

I completed education but did not successfully complete the national qualifying examination prior to January 1, 2008. What will I be required to complete prior to receiving my Kentucky license or certification under the 2008 criteria?

Regardless of accrued experience, anyone who did not successfully complete both the education and the examination criteria prior to midnight December 31, 2007 must 1) complete whatever additional 2008 appraisal education found by the Kentucky Board staff to be lacking, 2) complete the college requirement for a degree or the specific college courses in lieu of a degree, 3) complete the 2008 AQB national qualifying examination, and if required 4) complete any remaining appraisal assignments to gain the required hours and months for credible appraisal experience.

I successfully completed the national qualifying examination prior to midnight December 31, 2007, how long do I have to acquire the required experience hours and months for experience credit?

The following language is contained in Kentucky administrative regulation 201 KAR 30:050, “scores from the examinations shall be acceptable for two (2) years.” Therefore, an applicant will have two (2) years from the last day of the month in which he/she successfully completed the examination to complete all experience requirements outlined in 201 KAR 30:030. If all experience requirements cannot be completed within two (2) years from that date, the applicant will be required to complete all lacking appraiser education to become compliant with the 2008 criteria, submit proof of completion for all college courses or have a degree, successfully complete the 2008 AQB national examination, and complete all experience requirements.

Do appraisers have to follow any set of performance standards or guidelines?

Licensed and Certified real property appraisers in the Commonwealth of Kentucky are required to follow the statutes within KAR 324A and the administrative regulations in 201 KAR Chapter 30. Included in Kentucky 324A.050 is a requirement that appraiser’s licensed and certified in Kentucky must also follow the Uniform Standards of Professional Appraisal Practice when completing assignments of appraisal, appraisal review and appraisal consulting within the Commonwealth of Kentucky.

May I appraise any type of real property once I become state licensed or certified?

The Kentucky Real Estate Appraisers Board administrative regulation 201 KAR 30:030 recognizes the following credentials of real property appraiser within the Commonwealth of Kentucky:

Associate – The scope of practice for the Kentucky Licensed Associate classification is the appraisal of those properties which the supervising certified appraiser is permitted by his/her current credential and that the supervising appraiser is qualified to appraise.

State Licensed Appraiser - May appraise non-complex 1-4 family residential units with a transaction value less than \$1,000,000 and complex 1-4 residential units having a transaction value less than \$250,000.

State Certified Residential – May appraise 1-4 family residential units without regard to transaction value or complexity.

State Certified General – May appraise all types of property. Although an appraiser might hold a general certification, competency in a specific field of expertise is required.

I previously held a Kentucky credential but I did not renew prior to January 1, 2008. What will I be required to complete if I wish now to apply for the credential level I originally held?

Any person who does not hold a credential at the time of application for a Kentucky Real Property Appraiser credential will be expected to comply with 1) “all” items of appraisal education, 2) the AQB examination, and 3) the college courses or applicable degree. Additionally, as of July 1, 2003 experience for an initial applicant can be considered credible only while the applicant was working under the direct supervision of a Kentucky certified real property appraiser.

What will be the Kentucky Real Estate Appraisers Board expectations for an applicant who is licensed or certified and is now applying for another credential category?

An applicant who holds a credential and applies to the Kentucky Board for a different credential will be expected to 1) comply with all additional appraisal education that is required for the applicable credential level, 2) complete all college education requirements, 3) complete the applicable AQB national examination, and 4) complete all experience expectations for the credential level.

The table on the following page contains the initial education course topics and classroom hour requirements for each Kentucky real property appraiser license or certified credential, and the added education, examination and experience requirements when moving from one credential to another under the 2008 criteria requirements.

Required Topic Matrix of Course Offerings for Each Credential and Moving From One Credential to Another

		1	2	3	4	5	6	7
	Required Core Curriculum Topics* ** Please review the required topic list of subject matter, and the required core content for each topic.	Associate Real Property Appraiser	Licensed Residential Real Property Appraiser	Certified Residential Initial	Certified General*** Initial	Certified Residential From Licensed	Certified General*** From Licensed	Certified General*** From Residential
1	Basic Appraisal Principles	30	30	30	30			
2	Basic Appraisal Procedures	30	30	30	30			
3	Uniform Standards of Professional Appraisal Practice (<i>National Course</i>)	15	15	15	15			
4	Income Property Appraisal (<i>Greater uses than 1-4 Residential</i>)	15	15	15	60		45	45
5	Sales Comparison and Income Approach		30	30	30		15	15
6	Site Value and Cost Approach		15	15	30		15	15
7	Market Analysis/Highest and Best Use		15	15	30		15	15
8	Report Writing		15	15	30		15	15
9	Residential Applications & Case Studies		15	15				
10	Statistics, Modeling and Finance		15	15	15			
11	Electives (<i>Real Estate and Real Estate Appraisal Courses</i>)			5 Hrs Required Course 4 is 15 Hrs elective.	30	5 Hrs Required Course 4 is 15 Hrs elective	15 additional Hrs – Course 9 is elective	10 additional Hrs – Course 9 is elective
	Total	90 Hours	195 Hours	200 Hours	300 Hours	5 Hours	120 Hours	115 Hours

* Please note that each initial applicant for a KY credential, who does not hold an active credential at the time of application, must complete the hours listed in column 1 from the topics listed 1-4 and apply for an Associate Real Property Appraiser credential. Initial applicants for a Licensed Residential Real Property Appraiser credential must submit proof of satisfactory completion for at minimum the hours listed in column 2 from the topics 1-8. Initial applicants for Certified Residential must submit proof of satisfactory completion for at minimum the hour listed in column 3 from the topics 1-11. Initial applicants for Certified General Real Property Appraiser must submit proof of satisfactory completion for the hours listed in column 4 from the topics 1-8, plus 10 and 11.

** The above list of subject matter is not intended to be course specific titles, but it is required that each course submitted “**must**” include content for each item listed in the content outlines for each of the course topics that precedes this page.

***Certified General must include course content greater than 1-4 residential unit properties.

Columns 5, 6 and 7 list the course topics that will be required for completion when a current credential holder applies for one or the other credentials listed.

Note 1: This will apply only to those individuals who currently hold a credential listed in columns 2 and 3 and apply to the KREAB for one of the credentials listed in the columns headed 5, 6, or 7.

Note 2: In addition to being required to complete all education listed for moving from one credential to another, an applicant must also complete the national AQB examination for the credential being applied for, and complete any additional experience requirements.

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Is there a specific curriculum, topic or outline of appraisal course content an applicant will be expected to complete prior to being awarded credible education?

Yes. The following curriculum topics and contents are included in Kentucky Administrative Regulations 201 KAR 30:190; therefore, they are policy of the KY Board that must be completed prior to one receiving a Kentucky license or certification of real property appraiser.

Required Kentucky Topic Core Curriculum and Content Outline

(Required of all applicants applying for initial credential on or after 01-01-08)

NOTES : 1) The total hours for each of the topic areas for each credential listed must be satisfied. There is no specific time allotment required for the individual subtopics, but the KREAB requires that each item of every subtopic listed contain a time allowance that will permit student knowledge mastery of each subtopic in the class content. 2) Prior to offering any course for qualifying education, or advertising that a course is approved by the KREAB, education providers must apply for the course using only the KREAB application, and receive written approval from the Board. 3) The KREAB may direct staff to review course submissions and recommend approval or denial. The Board may also, at its discretion, utilize the "Course Approval Program" of the Appraiser Qualifications Board for course review. Regardless of the process exercised, the KREAB must approve each course submitted by applicants to satisfy qualifying education requirements per KRS 324A and 201 KAR Chapter 30.

Core Curriculum #1:

The following shall be the required topics, and the minimum content criteria for each class taken to satisfy each basic core topic. Each applicant, making initial request to the Kentucky Board for a Licensed Associate Real Property credential (training) must successfully complete courses that include the contents listed below and defined in 201 KAR 30:190. Each course completed to satisfy one of topics must include at minimum 15-hours class time, and require a closed-book examination that is pertinent to the educational offering. The course content must emphasize specific principles and procedures for appraising real property appraisal techniques, including residential use real properties of 1-4 units and vacant tracts and sites having 1-4 unit use.

KY ASSOCIATE REAL PROPERTY APPRAISER CREDENTIAL

Curriculum – Associate Real Property Appraiser	Hours
BASIC APPRAISAL PRINCIPLES	30
BASIC APPRAISAL PROCEDURES	30
Basic Income Approach (Must include emphasis for 1-4 unit residential properties.)	15
THE 15-HOUR NATIONAL USPAP COURSE OR ITS EQUIVALENT	15
Until the current regulation is amended, Kentucky applicants for this classification must complete the following total hours of credible education.	90

BASIC APPRAISAL PRINCIPLES - 30 HOURS

A. Real Property Concepts and Characteristics

1. Basic Real Property Concepts
2. Real Property Characteristics
3. Legal Description

B. Legal Consideration

1. Forms of Ownership
2. Public and Private Controls
3. Real Estate Contracts
4. Leases

C. Influences on Real Estate Values

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1. Governmental
2. Economic
3. Social
4. Environmental, Geographic and Physical
- D. Types of Value
 1. Market Value
 2. Other Value Types
- E. Economic Principles
 1. Classical Economic Principles
 2. Application and Illustrations of the Economic Principles
- F. Overview of Real Estate Markets and Analysis
 1. Market Fundamentals, Characteristics, and Definitions
 2. Supply Analysis
 3. Demand Analysis
 4. Use of Market Analysis
- G. Ethics and How They Apply in Appraisal Theory and Practice

BASIC APPRAISAL PROCEDURES - 30 HOURS

- A. Overview of Approaches to Value
- B. Valuation Procedures
 1. Defining the Problem
 2. Collecting and Selecting Data
 3. Analyzing
 4. Reconciling and Final Value Opinion
 5. Communicating the Appraisal
- C. Property Description
 1. Geographic Characteristics of the Land/Site
 2. Geologic Characteristics of the Land/Site
 3. Location and Neighborhood Characteristics
 4. Land/Site Considerations for Highest and Best Use
 5. Improvements - Architectural Styles and Types of Construction
 6. Residential Applications

BASIC INCOME COURSE – 15 Hours

- A. Overview
- B. Compound Interest
- C. Lease Analysis
- D. Income Analysis
- E. Vacancy and Collection Loss
- F. Estimating Operating Expenses and Reserves
- G. Reconstructed Income and Expense Statement
- H. Stabilized Net Operating Income Estimate
- I. Direct Capitalization
- J. Discounted Cash Flow
- K. Yield Capitalization
- L. Partial Interests
- M. Case Studies

THE 15-HOUR NATIONAL USPAP COURSE OR ITS' EQUIVALENT -15 HOURS

- A. Preamble and Ethics Rules
- B. Standard 1
- C. Standard 2
- D. Standards 3 to 10
- E. Statements and Advisory Opinions

Core Curriculum #2:

The following shall be the required topics, and the minimum content criteria for each class taken to satisfy each basic core topic. Each applicant must successfully complete the courses and the content specified prior to receiving the Licensed Residential Real Property Appraiser credential defined in 201 KAR 30:030. Each course in the topic list must include at minimum 15-hours class time and include a closed-book examination that is pertinent to the educational offering. The course content must emphasize principles and

procedures for appraising residential use real properties having 1-4 units, and vacant tracts and sites totaling no more than 4-units. Initial applicants must also have successfully completed the 90-hours of topic content required for the Associate Curriculum Hours:

KY LICENSED RESIDENTIAL REAL PROPERTY APPRAISER CREDENTIAL

Curriculum – Licensed Residential Real Property Appraiser	Hours
Associate Curriculum Hours	90
Market Analysis and Highest and Best Use (Must include emphasis for 1-4 unit residential properties.)	15
Basic Site Valuation and Cost Approach (Must include emphasis for 1-4 unit residential properties.)	15
Basic Sales Comparison and Income Approach (Must include emphasis for 1-4 unit residential properties.)	30
Report Writing & Case Studies (Must include emphasis for 1-4 unit residential properties.)	15
Statistics, Modeling and Finance	15
Advanced Residential Applications and Case Studies	15
Individuals applying for this credential in KY must complete at least the above listed 195 hours of credible qualifying education.	195

BASIC MARKET ANALYSIS AND HIGHEST AND BEST USE - 15 HOURS

- A. Residential Markets and Analysis
 - 1. Market Fundamentals, Characteristics and Definitions
 - 2. Supply Analysis
 - 3. Demand Analysis
 - 4. Use of Market Analysis
- B. Highest and Best Use
 - 1. Test Constraints
 - 2. Application of Highest and Best Use
 - 3. Special Considerations
 - 4. Market Analysis
 - 5. Case Studies

BASIC SITE VALUATION AND COST APPROACH -15 HOURS

- A. Site Valuation
 - 1. Methods
 - 2. Case Studies
- B. Cost Approach
 - 1. Concepts and Definitions
 - 2. Replacement/Reproduction Cost New
 - 3. Accrued Depreciation
 - 4. Methods of Estimating Accrued Depreciation
 - 5. Case Studies

BASIC SALES COMPARISON APPROACH AND INCOME APPROACHES - 30 HOURS*

- A. Valuation Principles & Procedures – Sales Comparison Approach
- B. Identification, Derivation and Measurement of Adjustments
- C. Partial Interests
- D. Reconciliation
- E. Case Studies and Applications

*** Must provide documented evidence of 15 hours classroom contents in income property appraising.**

PREPARING AND WRITING FORM REPORTS AND CASE STUDIES -15 HOURS

- A. Writing and Reasoning Skills
- B. Common Writing Problems
- C. Form Reports
- D. Report Options and USPAP Compliance
- E. Case Studies

STATISTICS, MODELING AND FINANCE – 15 HOURS

- A. Statistics
- B. Valuation Models (AVM's and Mass Appraisal)
- C. Real Estate Finance

RESIDENTIAL APPRAISAL APPLICATIONS AND CASE STUDIES – 15 HOURS

- A. 1-4 Unit Residential Property, Ownership and Market Conditions
- B. Deriving and Supporting Adjustments (Specific to 1-4 unit residential emphasis)
- C. Residential Market Analysis (Specific to 1-4 unit residential emphasis)
- D. Appraising 1-4 Unit Residential Case Studies

Core Curriculum #3:

The following shall be the required topics, and the minimum content criteria for each class taken to satisfy each basic core topic. Each applicant must successfully complete the courses and the content specified below prior to receiving the Certified Residential Real Property Appraiser credential defined in 201 KAR 30:030. Each course in the topic list must include at minimum 15-hours class time and include a closed-book examination that is pertinent to the educational offering. The course content must emphasize principles and procedures for appraising residential use real properties having no more than 1-4 units, and vacant tracts and sites totaling no more than 100 units. The applicant must also successfully complete the Associate Curriculum (90-Hours) and the Licensed Curriculum (105-hours):

KY CERTIFIED RESIDENTIAL REAL PROPERTY APPRAISER CREDENTIAL

Curriculum – Certified Residential Real Property Appraiser	Hours
Associate Curriculum Hours	90
Licensed Curriculum Hours	105
Appraisal Subject Matter Electives	5
Kentucky applicants for this credential must complete at least 200 hours of credible qualifying education.	200

RESIDENTIAL APPRAISAL APPLICATIONS AND CASE STUDIES – 15 HOURS

- A. 1-4 Unit Residential Property, Ownership and Market Conditions
- B. Deriving and Supporting Adjustments (Specific to 1-4 unit residential emphasis)
- C. Residential Market Analysis (Specific to 1-4 unit residential emphasis)
- D. Appraising 1-4 Unit Residential Case Studies

STATISTICS, MODELING AND FINANCE – 15 HOURS

- A. Statistics
- B. Valuation Models (AVM's and Mass Appraisal)
- C. Real Estate Finance

APPRAISAL SUBJECT MATTER ELECTIVES – 5 HOURS

To be considered for approval each request must include a summarization of the course description, a list of course learning objectives, a time outline that exhibits 1) how the objectives will be achieved, 2) a detailed time outline with no more than 60-minute increments that exhibits coverage for mastery of each item in each course offering, specifically the appropriate items in the preceding topic outlines, and 3) the final examination with key and a column in the course matrix listing each examination question for the applicable core content item.

Core Curriculum #4:

The following shall be the required topics, and the minimum content criteria for each class taken to satisfy each basic core topic. Each applicant for this credential must first successfully complete the courses and the content specified prior to receiving the General Real

Property Appraiser credential defined in 201 KAR 30:030. Each course in the topic list must include at minimum 15-hours class time and include a closed-book examination that is pertinent to the educational offering. The course content must emphasize principles and procedures for appraising real properties having uses greater than 1-4 residential units, and vacant tracts and sites totaling more than 4-units. The applicant must also have successfully completed the Associate Curriculum (90-Hours):

KY CERTIFIED GENERAL REAL PROPERTY APPRAISER CREDENTIAL

Curriculum – Certified General Real Property Appraiser	Hours
Associate Curriculum Hours (Includes 15-hours of the required 60-hours of Income Approach and General Applications)	90
Income Property Appraisal Courses (Must include coverage of property uses greater than 1-4 units; 15 hours of income taken in Associate curriculum)	45
Sales Comparison Approach (Must include coverage of property uses greater than 1-4 units.)	30
Site Value and Cost Approach (Must include coverage of property uses greater than 1-4 units.)	30
Market Analysis and HBU (Must include coverage of properties greater than 1-4 Units.)	30
Report Writing and Case Studies (Must include emphasis on properties greater than 1-4 Units.)	30
Statistics, Modeling and Finance	15
Appraisal Subject Matter Electives (In addition to the 10-hours listed in the Certified Residential Core Curriculum)	30
Kentucky applicants for this credential must complete at least 300 hours of credible qualifying education.	300

MARKET ANALYSIS AND HIGHEST AND BEST USE (GENERAL APPLICATIONS) – 30 HOURS

- A. Real Estate Markets and Analysis
 - 1. Market Fundamentals, Characteristics and Definitions
 - 2. Supply and Demand
 - 3. Demand Analysis
 - 4. Use of Market Analysis
- B. Highest and Best Use
 - 1. Test Constraints
 - 2. Application of Highest and Best Use
 - 3. Special Considerations
 - 4. Market Analysis
 - 5. Case Studies

STATISTICS, MODELING AND FINANCE – 15 HOURS

- A. Statistics
- B. Valuation Models (AVM's and Mass Appraisal)
- C. Real Estate Finance

SALES COMPARISON APPROACH (GENERAL APPLICATIONS) – 30 HOURS

- A. Value Principles
- B. Procedures
- C. Identification and Measurement of Adjustments
- D. Reconciliation
- E. Case Studies (Emphasis of properties greater than 1-4 residential use)

SITE VALUATION AND COST APPROACH (General Applications) -30 HOURS

- A. Site Valuation
 - 1. Methods

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- 2. Case Studies
- B. Cost Approach
 - 1. Concepts and Definitions
 - 2. Replacement/Reproduction Cost New
 - 3. Accrued Depreciation
 - 4. Methods of Estimating Accrued Depreciation
 - 5. Case Studies

INCOME APPROACH (General Applications) - 45 HOURS

- A. Overview
- B. Compound Interest
- C. Lease Analysis
- D. Income Analysis
- E. Vacancy and Collection Loss
- F. Estimating Operating Expenses and Reserves
- G. Reconstructed Income and Expense Statement
- H. Stabilized Net Operating Income Estimate
- I. Direct Capitalization
- J. Discounted Cash Flow
- K. Yield Capitalization
- L. Partial Interests
- M. Case Studies

***15-Hours of Basic Income Completed in the Associate Curriculum**

NARRATIVE REPORT WRITING AND CASE STUDIES (General Applications) -30 HOURS

- A. Writing and Reasoning Skills
- B. Common Writing Problems
- C. Report Options and USPAP Compliance
- D. Case Studies

APPRAISAL SUBJECT MATTER ELECTIVES – 30 HOURS

To be considered for approval each request must include a summarization of the course description, a list of course learning objectives, a time outline that exhibits 1) how the objectives will be achieved, 2) a detailed time outline with no more than 60-minute increments that exhibits coverage for mastery of each item in each course offering, specifically the appropriate items in the preceding topic outlines, and 3) the final examination with key and a column in the course matrix listing each examination question for the applicable core content item.

If I am certified in another State and move to Kentucky and apply for the same credential will I be expected to comply with the Kentucky education, examination, and experience requirements?

No. If an individual applies to the Kentucky Real Estate Appraisers Board while holding a real property appraiser credential from another State that individual will be granted the same credential by the KREAB, provided the State appraiser regulatory agency from where the applicant is transferring is in good standing with the AQB criteria at the time of the application, and the State agency is in compliance with the ASC regulatory policy statements. If an applicant cannot demonstrate he/she is in good standing with his/her home State appraiser regulatory agency at the time of application, the application will not be considered credible. **As of July 1, 2007 any Kentucky resident initially applying to the Kentucky Board for Licensed Real Property credential must complete the 2008 requirements listed above.**

If I am certified in another State and apply to Kentucky for a reciprocal credential will I be expected to comply with the Kentucky education, examination, and experience requirements?

No. If an individual applies to the Kentucky Real Estate Appraisers Board for a reciprocal credential from another State, the request will be granted provided the individual is a resident of the State in which the credential is being requested for

reciprocity. The decision will also depend upon 1) the State appraiser regulatory agency from where the applicant is transferring is in good standing with the AQB criteria at the time of the application, and 2) the State agency is in compliance with the ASC regulatory policy statements. If an applicant cannot demonstrate he/she is in good standing with his/her home State appraiser regulatory agency at the time of application, the application for reciprocity will not be considered credible. **As of July 1, 2007 the Kentucky Board does not recognize reciprocity for Licensed Real Property credential holders.**

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Web Site: kreab.ky.gov

GENERAL INFORMATION

1. The Kentucky Real Estate Appraisers Board recommends that Associate applicants arrange for a supervisor prior to taking education courses.
2. Associate applicants and supervisors are advised to read the associate/supervisor requirements thoroughly.
3. Do not send fees with this application. You will be notified immediately after the Board meeting if you have been approved for licensure or certification. The Board meetings are scheduled the fourth Friday of each month.
4. If you should have any questions, please contact the Board or email your questions to Angie.Thomas@ky.gov.

DOCUMENT SUBMITTAL REQUIRED BY CLASSIFICATION

	CERTIFIED GENERAL	CERTIFIED RESIDENTIAL	LICENSED REAL PROPERTY	ASSOCIATE
Application and Oath & Affidavit	X	X	X	X
Education Certificates	X	X	X	X
Letter of verification from supervisor				X
Commercial Log	X		X	
Residential Log	X	X	X	
Experience Affidavit	X	X	X	
2 Non-Residential Reports	X Reports will be selected from the log by the Board		X Reports will be selected from the log by the Board	
2 Residential Reports	X Reports will be selected from the log by the Board	X Reports will be selected from the log by the Board	X Reports will be selected from the log by the Board	

APPRAISER LICENSURE/CERTIFICATION APPLICATION

Please print or type

1. Name: _____
First MI Last

2. Business Information: *Supervisor _____

*Associate applicants must submit a letter of verification from supervisor.

Firm Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: () _____ County: _____

3. Residence Information:

Address: _____

City: _____ State: _____ Zip: _____

Phone: () _____ County: _____



Mail correspondence to: ☐ **Business** ☐ **Residence**

4. Email Address: _____ Fax: _____

5. Date of Birth: _____ Social Security No. _____

6. Have you ever been convicted of a felony or misdemeanor? (Excluding traffic offenses)
No _____ Yes _____ If yes, list offense, date, and location. Please submit certified
Copy of Presentence Report and Final Order of Judgement.

7. Has any disciplinary action been brought against any license or certificate held by you in the
professional appraisal practice in the past twelve months?

No _____ Yes _____ If yes, explain on a separate sheet and include a copy of any
document reflecting the final action or decision.

8. Type of License/Certification applying for: (Check one)

	TYPE
<input type="checkbox"/>	Associate License
<input type="checkbox"/>	Licensed Real Property
<input type="checkbox"/>	Certified Residential
<input type="checkbox"/>	Certified General

OATH AND AFFIDAVIT

I do hereby acknowledge that I have reached the age of 18; have a High School or High School Equivalency diploma; agree that I have knowledge of and comply with the standards set forth in KRS 324.010, State of Kentucky rules promulgated thereto, and understand the types of misconduct for which disciplinary proceedings may be initiated against me pursuant to said law; authorize the Kentucky Real Estate Appraisers Board or their agents to interview individuals or organizations referenced in my claims for satisfying education requirements and experience requirements, or equivalent experience, and to inspect my appraisal files to verify information given on my application. I further authorize the Kentucky Real Estate Appraisers Board or their agents to conduct a criminal records check.

I do further authorize the Kentucky Real Estate Appraisers Board to inform those entities selected by the Board of any disciplinary action taken by the Appraisers Board and the basis for that action; any state in which I have the authority or any state which I may apply for the authority to perform any appraisal activities involving federally related transactions pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989.

I do agree to return the license/certification upon request if issued to me in error or if requested by the Kentucky Real Estate Appraisers Board after a hearing pursuant to disciplinary action.

I acknowledge that appraisals made by me after January 1, 1991 and claimed as experience in this application have been completed in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP).

Oath:

The Statements and information contained herein, with attachments, are made under oath, and any material misrepresentation shall be punishable as perjury, in the first degree, a felony crime, (KRS 523:020) and shall also be grounds for suspension, revocation or refusal to renew any certificate or license granted pursuant to same.

Affidavit: State of _____ County

I, _____, being at least eighteen years of age duly sworn, affirm and state that the information provided within the application for Appraiser Certification in the State of Kentucky, is true and correct to the best of my knowledge.

(Signature of Applicant)

Subscribed and sworn to before me this _____ day of _____, 20_____.

Notary Public

(Seal)

My Commission expires: _____

EXPERIENCE

An applicant must meet the experience requirements set forth in this section prior to being licensed or certified. The applicant must sign a sworn statement subject to penalty of appraisal experience (experience affidavit), submit a detailed experience log and work samples for board review. The Kentucky Real Estate Appraisers Board reserves the right to obtain additional work samples, file memoranda, employer interview/affidavits, client interview/affidavits as promulgated in KRS 324A.020.

Experience obtained after January 1, 1991 shall comply with the Uniform Standards of Professional Appraisal Practice (USPAP).

1. Acceptable appraisal experience includes but not limited to the following:

- A. Fee and staff appraisal. (Must be USPAP compliant)
- B. Ad valorem tax appraisal. (Ad valorem tax appraisals should be awarded experience credit when the individual can demonstrate that they are using similar techniques as appraisers, to value properties and effectively utilize the appraisal process. Mass appraisal must comply with Standard 6 of USPAP).
- C. Technical review appraisal. (Review appraisals should be awarded experience credit when the appraiser performs reviews of appraisals prepared by employees, associates or others, provided the review appraiser did not sign the appraisal report). All technical review appraisals must be USPAP compliant (Standard Rule 3).

Subsequent to September 1, 1990, credit should only be awarded when reviews are in compliance with USPAP Standard 3. Review appraisal experience should be given credit to the extent that it demonstrates proficiency in appraisal principles, techniques, or skills used by

appraisers practicing under USPAP Standard 1.

Appraisal review experience will be awarded; however, review appraisal reports are not considered sufficient examples of appraiser knowledge and demonstration of techniques. Therefore, all appraisers requesting certification must submit complete appraisals presented in summary form and complying with all requirements in this statement.

- D. Highest and best use analysis; Appraisal analysis; Feasibility analysis/study. (Must comply with the appropriate standards)
- E. Condemnation Appraisal reports citing the jurisdictional exception may be counted for experience. Reports submitted for certification or licensure must contain all USPAP required information, regardless of jurisdictional exception.

This should not be construed as limiting experience credit to only those who are state licensed or certified.

2. The following will not be acceptable as experience:

- A. Letters of opinion – without complete file memoranda.
- B. Brokers market analysis.
- C. Mass appraisals (unless conform to USPAP Standard 6)
- D. Ad valorem (if less than full report and does not include appropriate approaches).
- E. Personal property only.
- F. Business values.

3. Appraisal Reports

All appraisal work claimed for experience should be completed in compliance with USPAP.

Appraisal reports must contain at a minimum:

- A. The development and reporting option utilized.
 - B. Adequately identify the real estate.
 - C. Define the value being considered.
 - D. Highest and best use if market value.
 - E. Physical, functional and economic factors affecting the value conclusion.
 - F. State the real property interest being appraised.
 - G. State the purpose and intended use of the appraisal.
 - H. Define the value to be estimated.
 - I. State the effective date of the appraisal and the date of the report.
 - J. State the extent of the process of collecting, confirming and reporting data.
 - K. State all assumptions and limiting conditions that affect the analyses, opinions and conclusions.
 - L. Estimated land value.
 - M. Final reconciliation.
 - N. A signed certification in accordance with Standards Rule 2-3.
4. Education may not be substituted for experience.
 5. Experience documentation in the form of reports or file memoranda, or if unavailable, other evidence at the credentialing authority's discretion, must be provided to support the experience claimed.
 6. The appraisal process should be utilized in determining various areas, which are creditable for experience purposes.
 7. The time spent driving to and from an appraisal assignment ("drive time") may qualify as appraisal experience if it is

considered to be a part of the appraisal process. (This is applicable to rural areas only)

8. The appraisal process consists of an analysis of factors that bear upon value: definition of the problem; gathering and analyzing data; applying the appropriate value approaches and methodology; arriving at an opinion of value and reporting the opinion of value.
9. Appraisal reports, submitted for review, must be completed within the past twelve (12) months from date of submission.
10. Residential appraisal reports must be complete appraisals using the self-contained or summary reporting option and must contain the Cost and Sales Comparison Approaches. Non-residential reports must be complete appraisals with all three (3) approaches (Income, Cost & Sales) utilized. No Limited Appraisals or Restricted reports will be accepted for demonstration.
11. A single-family residence, where the income approach is not applicable, and so states is not applicable, will be acceptable.
12. For licensing purposes, applicants claiming experience for providing significant professional assistance must have effectively used the appraisal process in performing the market research, data analysis and applying appropriate appraisal techniques. The work must have gone beyond such tasks as taking photographs, typing the report, measuring improvements or finding sales that may or may not be used in the appraisal. The applicant must have performed a substantial portion of the professional work claimed for experience. Generally, the Board considers substantial portion of the professional work to be at least 75%. The applicant must have signed the report and/or certification or must state in the certification that "significant professional assistance" was provided by name, or state in the certification that if "significant professional assistance" was

provided, you have identified that person elsewhere in the report and state where they are identified. The steps performed in the appraisal process must be reported in the contents or the certification. The steps in the appraisal process must be noted in the log.

13. Reports submitted for experience credit must be exact copies of the actual report submitted to the client. Modifications to the report for the purpose of submitting the appraisal for experience credit is not permitted.
14. The Review Committee will consider the overall methodology used to complete the appraisal and the appraiser's general compliance and understandability of USPAP, rather than penalizing or rejecting the appraisal for an inadvertent mistake or omission. The review process is to determine that the hours shown on the log have substantially met the minimum USPAP

requirements and not that the appraisals being reviewed are 100% USPAP compliant.

15. Additional appraisals may be requested from the experience log.
16. Effective May 1, 2001, Certified Residential Real Property Appraisers will be permitted to complete non-residential assignments having a transaction value of \$250,000 or less. There will be no requirement for submission of non-residential reports for experience certification approval. However, the Competency Rule will apply and any complaint discovered to have probable cause will lead to disciplinary action. Therefore, prior to accepting non-residential assignments of Certified Residential Real Property Appraiser must satisfy himself/herself that he/she has the level of experience and competency to complete the assignment. Competency will include, at a minimum, completion of a basic income property appraising course.

EXPERIENCE REQUIREMENTS

CERTIFIED GENERAL	30 MONTHS <u>AND</u> 3,000 HOURS (1,500 HOURS MUST BE NON-RESIDENTIAL)
CERTIFIED RESIDENTIAL	2 YEARS <u>AND</u> 2,500 HOURS
LICENSED REAL PROPERTY	2 YEARS <u>AND</u> 2,500 HOURS (LOG MUST SHOW WORK PERFORMED IN NON-RESIDENTIAL)
ASSOCIATE	MUST WORK UNDER THE SUPERVISION OF A KENTUCKY CERTIFIED/LICENSED APPRAISER

**CERTIFIED GENERAL REAL PROPERTY APPRAISER
EXPERIENCE AFFIDAVIT**

Please print or type

Name: _____ Social Security No.: _____

I, the undersigned applicant for certification as a Certified General Real Property Appraiser to the Kentucky Real Estate Appraisers Board, being first duly sworn and cautioned concerning the nature of the within oath, do hereby depose and state:

1. That to date, I have at least 3,000 hours and a minimum of thirty (30) months appraisal experience. Hours may be treated as cumulative in order to achieve the necessary 3,000 hours of appraisal experience. Of the 3,000 hours of appraisal experience, I am claiming in this affidavit, at least 1,500 hours consist of experience in non-residential appraisal work, (Residential means one (1) to four (4) residential units), and that my appraisal experience is in; fee and staff appraisals, review appraisals, ad valorem tax appraisals, highest and best use analysis, feasibility analysis or study.
2. That documentation in the form of reports or file memoranda is available to the Kentucky Real Estate Appraisers Board to support the experience set forth in paragraph 1, above.
3. All experience obtained after January 1, 1991 complies with the Uniform Standards of Professional Appraisal Practice.

Under penalty of perjury and as material representation to the Kentucky Real Estate Appraisers Board to secure certification, I state the foregoing is true.

Signature: _____ Date: _____

State of _____

County _____

Subscribed and sworn to before me this _____ day of _____, 20____.

Notary Public

Seal

My Commission Expires: _____

**CERTIFIED RESIDENTIAL REAL PROPERTY APPRAISER
EXPERIENCE AFFIDAVIT**

Please print or type

Name: _____ Social Security No.: _____

I, the undersigned applicant for certification as a Certified Residential Real Property Appraiser to the Kentucky Real Estate Appraisers Board, being first duly sworn and cautioned concerning the nature of the within oath, do hereby depose and state:

1. That to date, I have at least 2,500 hours and a minimum of two (2) years (24 months) appraisal experience. Hours may be treated as cumulative in order to achieve the necessary 2,500 hours of appraisal experience, and that my appraisal experience is in; fee and staff appraisals, review appraisals, ad valorem tax appraisals, highest and best use analysis, feasibility analysis or study.
2. That documentation in the form of reports or file memoranda is available to the Kentucky Real Estate Appraisers Board to support the experience set forth in paragraph 1, above.
3. All experience obtained after January 1, 1991 complies with the Uniform Standards of Professional Appraisal Practice.

Under penalty of perjury and as material representation to the Kentucky Real Estate Appraisers Board to secure certification, I state the foregoing is true.

Signature: _____ Date: _____

State of _____

County _____

Subscribed and sworn to before me this _____ day of _____, 20_____.

Notary Public

Seal

My Commission Expires: _____

**LICENSED REAL PROPERTY APPRAISER
EXPERIENCE AFFIDAVIT**

Please print or type

Name: _____ Social Security No.: _____

I, the undersigned applicant for licensure as a Licensed Real Property Appraiser to the Kentucky Real Estate Appraisers Board, being first duly sworn and cautioned concerning the nature of the within oath, do hereby depose and state:

1. That to date, I have at least 2,500 hours and a minimum of two (2) years (24 months) appraisal experience. Hours may be treated as cumulative in order to achieve the necessary 2,000 hours of appraisal experience. Of the 2,500 hours of appraisal experience I am claiming in the affidavit, some of my experience consist of non-residential appraisal work. (Residential here means one (1) to four (4) residential units), and that my appraisal experience is in; fee and staff appraisals, review appraisals, ad valorem tax appraisals, highest and best use analysis, feasibility analysis or study.
2. That documentation in the form of reports or file memoranda is available to the Kentucky Real Estate Appraisers Board to support the experience set forth in paragraph 1, above.
3. All experience obtained after January 1, 1991 complies with the Uniform Standards of Professional Appraisal Practice.

Under penalty of perjury and as material representation to the Kentucky Real Estate Appraisers Board to secure certification, I state the foregoing is true.

Signature: _____ Date: _____

State of _____

County _____

Subscribed and sworn to before me this _____ day of _____, 20____.

Notary Public

Seal

My Commission Expires: _____

CERTIFIED GENERAL REAL PROPERTY CLASSIFICATION

**All certified appraisers are bound by the Competency Provisions of the
*Uniform Standards of Professional Appraisal Practice***

EXPERIENCE:

Applicant must have acquired 3,000 hours AND a minimum of thirty (30) months of appraisal experience. Hours may be treated as cumulative in order to obtain the hours. At least fifty (50) percent (1,500 hours) must be in non-residential appraisal work. Residential is defined as one to four residential units. A detailed Experience Log, four (4) work samples (2 residential and 2 non-residential) and a Certified General Experience Affidavit (signed and notarized) must be submitted for Board review as a part of meeting the experience requirement. All experience obtained after January 1, 1991 must comply with the Uniform Standards of Professional Appraisal Practice.

***READ EXPERIENCE SECTION INCLUDED IN THIS PACKET.**

EDUCATION:

***READ EDUCATION SECTION INCLUDED IN THIS PACKET.**

CONTINUING EDUCATION:

The equivalent of 14 classroom hours of instruction in courses or seminars for each year during the period preceding the renewal is required.

EXAMINATION:

Successfully pass the written State General Certification Examination. Education requirements must be met prior to being seated for the exam.

***NOTIFY THE BOARD WHEN EDUCATION IS COMPLETED AND APPLICANT IS READY TO SIT FOR THE EXAM.**

LICENSED REAL PROPERTY CLASSIFICATION

**All licensed appraisers are bound by the Competency Provision of the
*Uniform Standards of Professional Appraisal Practice***

EXPERIENCE:

Applicant must have acquired 2,500 hours AND a minimum of two (2) years of appraisal experience. Appraiser must indicate some hours in non-residential work. Hours may be treated as cumulative in order to obtain the hours. A detailed experience log, four (4) work samples (2 residential and 2 non-residential) and a Licensed Real Property Experience Affidavit (signed and notarized) must be submitted for board review as a part of meeting the experience requirement. All experience obtained after January 1, 1991 must comply with the Uniform Standards of Professional Appraisal Practice.

***READ EXPERIENCE SECTION INCLUDED IN THIS PACKET.**

EDUCATION:

***READ EDUCATION SECTION INCLUDED IN THIS PACKET.**

CONTINUING EDUCATION:

The equivalent of 14 classroom hours of instruction in courses or seminars for each year during the period preceding the renewal is required.

EXAMINATION:

Successfully pass the written State Licensed Examination. Education requirements must be met prior to being seated for the exam.

***NOTIFY THE BOARD WHEN EDUCATION IS COMPLETED AND APPLICANT IS READY TO SIT FOR THE EXAM.**

CERTIFIED RESIDENTIAL REAL PROPERTY CLASSIFICATION

**All certified appraisers are bound by the Competency Provisions of the
*Uniform Standards of Professional Appraisal Practice***

EXPERIENCE:

Applicant must have acquired 2,500 hours AND a minimum of two (2) years of appraisal experience. Hours may be treated as cumulative in order to obtain the hours. A detailed Experience Log, two (2) residential work samples and a Certified Residential Experience Affidavit (signed and notarized) must be submitted for Board review as a part of meeting the experience requirement. All experience obtained after January 1, 1991 must comply with the Uniform Standards of Professional Appraisal Practice.

***READ EXPERIENCE SECTION INCLUDED IN THIS PACKET.**

EDUCATION:

***READ EDUCATION SECTION INCLUDED IN THIS PACKET.**

CONTINUING EDUCATION:

The equivalent of 14 classroom hours of instruction in courses or seminars for each year during the period preceding the renewal is required.

EXAMINATION:

Successfully pass the written State Residential Certification Examination. Education requirements must be met prior to being seated for the exam.

***NOTIFY THE BOARD WHEN EDUCATION IS COMPLETED AND APPLICANT IS READY TO SIT FOR THE EXAM.**

ASSOCIATE REAL PROPERTY APPRAISER CLASSIFICATION

**All licensed appraisers are bound by the Competency Provision of the
*Uniform Standards of Professional Appraisal Practice***

GENERAL:

The Appraiser Qualifications Board criteria for the "Associate Classification" is presented below:

1. The purpose of the associate classification is to provide a means for individuals to obtain experience in order that they may obtain a state license or certification.
 - A. The AQB does not intend that the issuance of this criteria be interpreted as requiring that appraisers must enter the associate classification prior to becoming state licensed or certified or prior to obtaining a classification other than one already held.
 - B. The scope of practice for the appraiser associate classification is the appraisal of those properties which the supervising appraiser is permitted to appraise.
 - C. The appraiser associate shall be subject to the Uniform Standards of Professional Appraisal Practice (USPAP).
 - D. The appraiser associate shall be entitled to obtain copies of the appraisal reports he or she prepared. The supervising appraiser shall keep copies of appraisal reports for a period of at least five years or at least two years after final disposition of any judicial proceeding in which testimony was given, whichever period expires last.
 - E. A supervisor is required to sign the log for each associate they supervise.
 - F. The appraiser associate shall be subject to direct supervision by a supervising appraiser who shall be state licensed or certified in Kentucky for a period of one year and in good standing with the Board.
 - G. A supervising appraiser shall be limited to a maximum of three (3) real property associates at one time; and immediately notify the board when the supervision of a real property associate has terminated.
 - H. The appraiser associate is permitted to have more than one supervising appraiser.
 - I. An associate real property appraiser shall submit to the board two complete summary appraisal reports. Per Appraisal Subcommittee Policy Statement 10 revision, the Board shall immediately require all applicants submit a log of work experience. From that log the Board staff will select appraisal reports for each level of experience review.
 - (1) The appraisals shall be submitted to the board six months and twelve months following the date of issuance of the associate real property license.
 - (2) The Board shall have the right to request additional appraisals from the associate real property appraiser.

An appraiser associate must meet the following requirements:

EXPERIENCE:

Must work under a licensed or certified appraiser who must be indicated in item 2 of the application. All experience obtained after January 1, 1991 must comply with the Uniform Standards of Professional Appraisal Practice.

- A. The supervising appraiser shall be responsible for the training and direct supervision of the appraiser associate by:
 - (1) The supervising appraiser shall personally inspect, at a minimum, each appraised property and the comparable sales with the associate real property appraiser on the associate's first fifty (50) real property appraisal assignments to insure that the associate is competent and acting in accordance with the competency provision of USPAP.
 - (2) The supervising appraiser shall allow an associate real property appraiser who has completed the first fifty (50) appraisal assignments, to inspect properties located within fifty miles of the supervisors' office without being accompanied by the supervisor, provided the supervisor has determined that the associate real property appraiser is competent to perform such appraisals.
 - (3) The supervising appraiser shall accompany and personally inspect each appraised property and the comparable sales with the associate real property appraiser on all appraisal assignments located more than fifty miles from the supervisor's office within twelve months following the date of issuance of the associate real property license.
 - (4) Accepting responsibility for the appraisal report by signing and certifying the report is in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP).
 - (5) Reviewing the appraiser associate report(s).
- B. An appraisal log shall be maintained by the appraiser associate and shall, at a minimum, include the following for each appraisal:
 - (1) Type of property
 - (2) Client name and address
 - (3) Address of appraised property
 - (4) Description of work performed
 - (5) Number of work hours
 - (6) Signature and state license/certification number of the supervising appraiser
- C. Separate appraisal logs shall be maintained for each supervising appraiser.

***READ EXPERIENCE SECTION INCLUDED IN THIS PACKET.**

EDUCATION:

***READ EDUCATION SECTION INCLUDED IN THIS PACKET.**

CONTINUING EDUCATION

The equivalent of 14 classroom hours of instruction in courses or seminars for each year during the period preceding the renewal is required.

EXAMINATION

There is no examination requirement for the Appraiser Associate Classification.

INSTRUCTIONS FOR COMPLETING EXPERIENCE LOG

On July 1, 2008, I received the following message from Ms. Jenny Tidwell, Policy Manager for The Appraisal Subcommittee (ASC):

"I just want to make sure that all of you are aware that the AQB adopted the attached Guide Note 6. If you have not already done so, PLEASE make sure that your experience log has **ALL** the following items:

1. Type of property;
2. Date of report;
3. Address of appraised property;
- 4. a) A description of the work performed by the trainee or applicant;**
- 4. b) The scope of the review performed by the supervising appraiser; and**
- 4. c) The level of supervision performed by the supervising appraiser.**
5. Number of actual work hours by the trainee/applicant on the assignment; and
6. The signature and state certification number of the supervising appraiser if applicable. Separate appraisal logs shall be maintained for each supervising appraiser if applicable.
(Bold added for emphasis)"

Based upon the AQB criteria adoption and the above ASC expectation, the KREAB voted unanimously on June 24, 2008 to approve a revised log for use by "**all**" Kentucky Licensed Associate Real Property Appraisers who will submit claims for experience acquired after June 30, 2008. A copy of the revised log is included with this memorandum.

Experience completed prior to July 1, 2008 will be received on the log form, or variations of that form, that was previously approved by the KREAB.

There are a number of changes on the revised form; therefore, it is imperative that both the Associate and the Supervisor immediately become familiar with the changes. It will be required that all information be properly inserted on the form for the applicant to receive credible experience.

The following instructions shall apply in completing the form for acceptable presentation:

1. Each Associate must present a separate log(s) for experience claimed under each individual Kentucky **certified** real property appraiser's supervision.
2. At the top left of each page the associate appraiser must:
 - a. list his/her name;
 - b. the Kentucky Associate license number;
 - c. affix her/his signature;
 - d. the date the log is signed;
 - e. the total hours presented for the individual form; and
 - f. the total number of hours for all pages of the experience claimed for the applicable Kentucky **certified** appraiser's supervision.
3. The applicant must enter the actual hours he/she worked on each assignment. But, the KREAB shall have the right to accept or reject a summation of hours that appear unreasonable. Also, any assignment that does not meet the minimum requirements of USPAP shall be declared void for credit.
4. In the first six shaded columns running left to right across the form, the Associate appraiser shall list:
 - a. the date of the report being claimed (SR 1-2(d));
 - b. the subject property address (SR 1-2(e));
 - c. the abbreviation for the type of report prepared for the assignment being claimed, i.e., Self-Contained **SC**, Summary **S**, or Restricted Use **R** (SR-2-2(a), (b), (c));
 - d. identify the property type by abbreviation, i.e., "**R**" for 1 to 4 residential units, including vacant land for same; and "**G**" for property uses greater than 4 residential units, including vacant land for same (SR 1-2(e));

- e. identify the client named in the assignment report (SR 1-2(a)); and
 - f. list the market value opinion for the subject property (SR 1-2(c)).
5. In the sixth column there are two spaces listing an “A” for Associate and “S” for the Supervisor.
6. In each of the columns labeled “T” through “X” to the right of “A”, the associate appraiser shall indicate by checking each column for which he/she actively participated in completing the assignment.

In each of the columns labeled “T” through “X” to the right of the “S” the supervising appraiser must indicate by the appropriate entry of “P”, “C”, or “R” to note the steps she/he completed in providing supervision for each assignment entered on the log.

- a. Primary responsibility for a particular action will be noted with a “P”.
- b. If the supervisor acted as a co-appraiser the action will be noted with a “C”.
- c. If the supervisor acted as both the assignment review appraiser and approved the assignment for completion, the action shall be noted with an “R”.

The KREAB must be able to determine that the Associate appraiser completed a preponderance of the assignment development for each appraisal assignment claimed for credit. Reviewing the columns “T” through “X” will be only one method for making a determination of acceptable credit. The KREAB may also request additional file memorandum and other information, if it is deemed necessary to do so.

Attention will be given the beginning of the Associate appraiser’s experience to the end, and whether the Associate’s contribution increased exponentially with the passage of time. The KREAB will also review the log to verify the steps provided by the supervisor are considered sufficient for the Associate to have received meaningful supervision.

The columns “T” through “X” will be a significant part of the method exercised in determining whether to award the total experience hours requested for credit. Therefore, both the associate appraisers and the supervising appraisers should read the following instructions and determine if one or both has met the responsibility for completing the assignment steps entered on the log:

- I. In this column both the Associate and the Supervisor must indicate if one or both developed the site analysis and site description in compliance with Standards Rule 1-2(e), (f), (g), (h).
- II. In this column both the Associate and the Supervisor must indicate if one or both developed the building analysis and building description in compliance with USPAP Standards Rule 1-2(e), (f), (g), (h).
- III. In this column both the Associate and the Supervisor must indicate if one or both developed a neighborhood description, and analyzed the neighborhood characteristics per USPAP Standards Rule 1-2(e)(i); 1-2(f), (g), (h); and 1-3(a).
- IV. In this column both the Associate and the Supervisor must indicate if one or both developed the opinion of highest and best use for the subject property in compliance with USPAP Standards Rule 1-2(f), (g), (h), and 1-3(b).
- V. In this column both the Associate and the Supervisor must indicate if one or both collected, verified, analyzed, and developed the data that are applicable and necessary for credible assignment results in compliance with USPAP Standards Rule 1-4 (d), (e), (f), (g); and 1-5(a) and (b).
- VI. In this column both the Associate and the Supervisor must indicate if one or both collected, verified, analyzed, and developed the data and opinion of value for the sales comparison approach, if it is applicable and necessary for credible assignment results, in compliance with USPAP Standards Rule 1-4(a).
- VII. In this column both the Associate and the Supervisor must indicate if one or both collected, verified, analyzed, and developed the data and opinion of value for the cost approach, if it is applicable and necessary for credible assignment results, in compliance with USPAP Standards Rule 1-4(b).

- VIII. In this column both the Associate and the Supervisor must indicate if one or both collected, verified, analyzed, and developed the data and opinion of value for the income approach, if it is applicable and necessary for credible assignment results, in compliance with USPAP Standards Rule 1-4(c).
- IX. In this column both the Associate and the Supervisor must indicate if one or both participated in reconciling the quality and quantity of data available and analyzed within the applicable approaches use; and for which each reconciled the applicability and relevance of the approaches, the methods, and the techniques used to arrive at the final value conclusion(s) in compliance with USPAP Standards Rule 1-6(a) and (b).
- X. In this column both the Associate and the Supervisor must indicate if one or both provided other development steps, or other assistance in the completion of the assignment. If so, the steps must be explained by attachment submitted with the log.
7. At the top of the page, on the right side the Associate must:
- list the individual page number of each log sheet that is being presented for each supervising appraiser; and
 - list the cumulative number of log pages for each log that is being presented for each supervising appraiser.
8. In the last column, the associate appraiser must list the total number of hours claimed for each assignment. The cumulative hours for each log page will be transferred to the left hand top of the page in the blank for **hours requested for “this page.”**
9. Under the table, immediately above the outlined box, are the abbreviations for report types and the property types. It is imperative that these abbreviations are used for the log entry.
10. In the outlined box Associates are directed to:
- 1) Check each column of “I” through “X” to the right of “A” for which the Associate participated in the completion of the assignment.
 - 2) Prepare a separate log for each supervisor and have each supervisor follow the instructions identified as 3 and 4 below.
 - 3) For each portion of each assignment, Supervisors must indicate in the applicable columns “I” through “X” to the right of “S” whether they had primary responsibility, if so enter “P” in the columns “I” through “X.” If the supervisor co-appraised she/he must acknowledge so in the appropriate “I” through “X” columns with a “C”. If the supervisor reviewed and approved the report, she/he must enter in the appropriate columns “I” though “X” an “R”.
 - 4) Requires the supervisor to include the printed name followed by the Supervisor’s Kentucky Certification number. Directly under the printed name, the Supervisor must sign the log, and enter the date of the signature in the space at the right of the signature listed as date signed.
11. Before signing the log, both the Associate and the Supervisor should understand the consequences of affixing their signature to the log. The following language is binding upon all who sign the log; ***“By signing this document, both the Supervisor and the Associate certify that any material misrepresentation shall be punishable as perjury, in the first degree, a felony crime, (KRS 523:020) and shall also be grounds for suspension, revocation or refusal to renew any certificate or license granted to same.”***

Effective immediately, all assignments completed after June 30, 2008 submitted to the KREAB for experience review must include the revised form, with each section of the form properly completed. If the correct form is not submitted, or if the forms are not properly completed, the experience will be rejected.

A copy of the revised log will be placed on the KREAB web site in excel format for the convenience of all Kentucky Associate Real Property Appraisers and Supervisors to download and begin using immediately for all assignments completed after June 30, 2008 that are submitted to the KREAB for experience credit.

I thank every Kentucky Licensed and Certified appraiser for your patience and understanding in this matter. Please understand that this directive is being made in response to an AQB Real Property Criteria change. Therefore, the KREAB, and all State appraiser regulatory agencies, must comply in order to remain in good standing with the ASC expectations for Title XI "FIRREA" compliance.

If any one has questions or concerns please contact me at the KREAB office.



Kentucky Real Estate Appraisers Board
Appraiser Assignment Log (Please Print)

Name: _____

Associate License Number: _____

Signature: _____ Date Signed: _____

Hours Requested: *This page* _____ *Total* _____

Applicants must enter actual hours, subject to maximums approved by the Board.

Report Date	Subject Property Address	Report Type	Property Type	Client named in report	MarketValue Opinion	A - Associate	S - Supervisor	I. Developed Site Desc. & Analysis	II. Developed Bldg. Desc. & Analysis	III. Nbhd Description & Dev. Analysis	IV. Developed the Highest & Best Use	V. Collected, Verified, and Analyzed Data	VI. Developed Income Approach	VII. Developed Cost Approach	VIII. Developed Sales Comparison	IX. Developed Final Reconciliation	X. Other (please attach explanation)	Rev. 07/08	Associ ate Hours
						A													
						S													
						A													
						S													
						A													
						S													
						A													
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Pg No. _____
of _____
pgs

S																			
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Report Type: Restricted Use = R Summary = S Self-Contained = SC - Property Type: 1 to 4 Residential units/lots = R or Greater than 4 Residential units/lots = G

Associates must:

- 1) Indicate the part(s) of each assignment the Associate contributed by putting an "x" in the Columns I thru X. (Supervisor must accompany associate on first 50 assignments)
- 2) Prepare a separate log for each Supervisor and have each supervisor follow instructions 3 & 4 below. (Only CG may supervise assignments greater than 1 to 4 units.)
- 3) For each part(s) of each assignment, Supervisors must indicate whether they: P – Had Primary Responsibility C – Co-appraised R – Reviewed and Approved

By signing this document, both the Supervisor and the Associate certify that any material misrepresentation shall be punishable as perjury, in the first degree, a felony crime, (KRS 523:020) and shall also be grounds for suspension, revocation or refusal to renew any certificate or license granted to same.

4) Supervisor Name (Print) _____

Supervisor Name (Sign) _____

Supervisor's
KY Cert.
No. _____

Date
Signed _____